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## AFTER UTOPIA: WHAT NEXT?

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Utopia, however defined, has a long history, but the utopian impulse has not always been politically progressive. Hitler's Third Reich was to be a thousand-year Utopia for racially pure German Aryans. Hitler was himself a German nationalist, national-socialist and utopian. He took it for granted that German nationalists were true believers in the biological community which he defined as the pure German nation. The inevitable outcome of this utopian idyll was Auschwitz. Nazi idealism, the perfection of the Aryan community, could only be realized with the ritualistic slaughter of millions of non-Aryans.

The idea of utopia has been with us almost since the beginning of Western civilization. Plato described Utopia in his *Republic*; his utopia was to be led by an elite of guardians who would have a monopoly of power—Plato was neither a democrat nor a republican—but as philosopher kings they would rule disinterestedly, putting the interests of the citizens ahead of any interests of their own. Platonic idealism envisioned a state ruled rationally from above. Plato would not have thought of this as totalitarian; but none of the ruled were to be consulted, the guardians knew best the interests of the whole.

Thomas More, in the sixteenth century, presented his own version of Utopia, a kind of Christian Socialist alternative to the incipient capitalism in sixteenth-century England, an England which, he said, took better care of its sheep than the English people. More presented an ideal that would alleviate human suffering, utopia after all was supposed to be something much better than the imperfect present. Reason, education and a slight alteration of society could bring about the good life; if everybody worked, and shared their production as equals, the entire society could work less and yet receive a greater share for less work. More believed that utopia was already at hand, he located his utopia—which is often defined as no place and outside of time, and therefore not something as attainable—in the present, and as eminently possible, although to be safe he located his utopia outside of England. Utopia was therefore no longer a distant dream. It was in some distant place, but not in a distant future. It was possible because it was desirable, and it was already somewhere.

More's real complaint was that the English had been displaced from their rightful place in the social cosmos. With just slight ingenuity, by restoring the social equality that had been lost, citizens could meet the needs of all, and with less effort. Equality meant a restoration of the social cosmos that had been lost.

In the eighteenth-century, Denis Diderot offered a similar utopian vision. Modern mankind, he argued, worked hard and had little to show for its efforts. The reason was that most labored hard to meet the needs—or desires—of the few. Unlike later utopians, however, Diderot's vision was

not a future utopia that would erase the malfunctions of civilization, his vision looked backwards, toward a return to nature. The argument was simple: the new science and technology of the eighteenth-century would not make humankind happy, it would only enlarge its desires for more. Utopia was achievable, but only if people would limit their needs. But it was up to the people themselves to limit their consumption. Diderot's utopia would not come about by directive from the state, but by an inner transformation of human beings voluntarily limiting their desires. Utopia could be achieved through moral enlightenment, not instruction from above.

Like many of the earlier utopians, Diderot's utopian urges were meant as a moral yardstick, a manner of judgment of the present, but not as a blueprint for social change. Diderot's contemporary, Jean-Jacques Rousseau introduced a more revolutionary notion of utopia grounded in a social contract in his book of the same title, *The Social Contract*. Rousseau also intended a moral regeneration as the basis of Utopia, but now with a difference. Rousseau compared the liberty of humankind in a hypothetical state of nature to the contemporary reality in which man was everywhere in 'chains'. The cause of bondage was clear; it was the institution of private property, not property as such but its concentration. Restore human beings to the status of social equality and bondage would end. Rousseau did not offer a prescription as to how this would happen, but the social contract implied the principle of human equality as the basis of social organization; and it implied also that citizens were bound to each other and not to a higher authority. Not only were people citizens, but they were now, collectively, sovereign. To put this in modern language, Rousseau meant that citizens had the right—the obligation—to define their own collective purposes, and to make them a priority ahead of the vagaries of the economic market. Human relationships should not be ordered by the chanciness of commercial exchange. Rousseau was not a socialist, but he had discovered socialism and anticipated the nineteenth century.

Today we live in an age of doubt, suspicion of the state and state intervention; we prefer the market and call that liberty. We live in an age of uncertainty, an age of bankrupt cities, endemic unemployment and underemployment, an age of failing and closing schools, an age of the underinsured and uninsured, of massive foreclosures, of personal and business bankruptcies, of broken highways and collapsing bridges, of gross inequality and failed health systems. These social pathologies are pervasive and threaten to become enduring. More than ever uncertainty reigns over our politics, our economy, our finances, and even our personal health. We are fighting invisible wars that we try not to think about and that are fought by people many of us rarely if ever meet. Yet we are hardly able to discuss what is happening to us, we cannot even imagine the alternatives, for they too have become invisible. We live unawares that we did not always live like this, that life in the present is not life eternal, and that most of what we have today dates only from the 1980's: that's the decade when incessant materialism, the privatization of industry, and the spread of social inequalities between rich and poor became endemic.<sup>1</sup>

Because we have forgotten the past we can no longer imagine the future; if we do, we do not see life improving. The last century, even the

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<sup>1</sup> Tony Judt, *Ill Fares the Land*, (New York: The Penguin Press, 2010), 1-2.

recent past, is largely invisible, it exists without context, memorialized in fragments of the past in museums, theme parks and heritage sites. It is enshrined in official memory as nostalgic triumphalism, such as Francis Fukuyama's infamous declaration praising the end of history and the victory of Western idealism and liberal democracy. The twentieth-century as a whole is dismissed as a chamber of horrors—from world wars to Auschwitz, from the slaughter of Armenians to the genocide in Bosnia—not to be forgotten because of its crimes and its victims; we prefer to think that was then, and this is now; we want to believe that we are better than that past which we prefer to inter in official remembrance. We want to think that we will be better yet.

“Worse still,” says Tony Judt, “we encourage citizens and students to see the past—and its lessons—through the particular of their own suffering (or that of their ancestors).”<sup>2</sup> We no longer have a shared understanding of the past, or even a shared narrative which we can call the past. Instead, we fragment history into particular ethnicities defined by “victimhood.” The result is that past and present become inverted; rather than the past helping to explain how we got here, we parse out that piece of the past we wish to preserve as a record of suffering, or as a memory piece helping us to commemorate something in the present. We memorialize, but we do not remember.

What we end up with is the impression that the world of today has no provenance in the past, that modernity is its own creation. Modernization and globalization help that illusion along by wiping out many remnants of the past in the name of progress. Instead of tradition, which was vaunted by the generation of my grandparents, and was still observed—making it possible to have not only a past, but to continue a shared and common narrative which could be shared through observance and remembrance—we have disconnected fragments of a past whose meaning is increasingly lost to us. Moreover, what has been true of individuals is also true of nations and societies.

Francis Fukuyama's narrative proclaiming the end of history in *The End of History and the Last Man* had an ironic twist to it. For just as he proclaimed the end of the past, and heralded the outcome of the victory of the West, many people were forgetting the lessons of the past whose end he was now proclaiming and celebrating. To be sure some things needed to end. Communism, in its Stalinist and Maoist versions, needed to end, though not to be forgotten. The authoritarian regimes of Eastern Europe needed to end, along with the incredible heaviness of being that they created. What needed to end also was the illusion that these regimes had in any sense fulfilled the utopian visions that had accompanied their birth. What had once been heralded as paradise had long ago sunk into the abyss of the gulag: the invasion of Hungary in 1956, the repression of Czechoslovakia in 1968; and before that the show trials, the infamy of the disappeared. And yet, precisely because of the disillusionment which preceded the collapse of the Soviet regime, and the ideological baggage that went with it, it was also forgotten—or willfully ignored—that there had been good reasons for dreaming about Utopia: revolution had been bred by hope, the perpetual

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<sup>2</sup> Tony Judt, *Reappraisals: Reflections on the Forgotten Twentieth Century* (New York: The Penguin Press, 2008), 4.

desire to transform earlier regimes into imagined communities of publicly shared good.

Unfortunately, and almost imperceptibly, many visions were compromised in 1989, brought down by the memories of the gulag and the demons of history: the Left, socialism, even social democracy, at least in the US and Great Britain, were tainted by their association with the authoritarian regimes in the East. The very idea of Utopia seemed to vanish from historical memory, and with it vanished the memory of why so many had wrestled with the idea of achieving social and political harmony in a utopianized future. Two hundred years of experimentation in creating the good society based on a defined collective purpose and a collective social good as the foundation of human happiness, from the French Revolution to the Russian Revolution, evaporated into the memory hole.

The implication of the end of history, the glib surmise of Fukuyama, was that there had been two fundamental choices, we could have either liberty, or we could have equality. We could not have both. Put another way, we had to choose between either the State or the Market. This was a reaction to the imperious authoritarian regimes of the East, and it was also a reaction to the nanny—interventionist—states in the West, especially the social democracies. Fukuyama's assumption that liberal democracy was the final end of history, and therefore there was no need to define our common social purposes, was also a kind of endism and utopianism.<sup>3</sup>

What Fukuyama neglected to say, or refused to believe, was that liberals and social democrats were agreed on many principles. Social democrats defended cultural and religious tolerance. They embraced democracy, liberty and human rights. Social democrats favored, like liberals, progressive taxation to pay for public services and other social goods to help individuals who could not otherwise provide for themselves. Social democrats differed from liberals, however, in social policy. Liberals often saw taxation or public provision as a necessary evil; social democrats had a vision of the good society and afforded a greater role for the state and the public sector. In public policy social democrats believed in the possibility and virtue of collective action for the collective good.<sup>4</sup>

Today we have inherited the universe anticipated by Fukuyama, without the ending of history anticipated by him. Today we have in fact seen the victory of the Market in the U. S. and to a great extent in Britain. Absent history, and the past, and many think that this is the way things have always been. Most cannot imagine a different kind of society despite the social maladies and dysfunctions in the one we now have. We do not even know how to think about our society, because we think that what exists today has always been with us; we suffer from the illusion that contemporary institutions are eternal. Even the experts in the media, the intellectuals whose discourse seems oblivious to the alternatives once posed in past debates and discussions, have succumbed to this logic. Instead of having public conversations that question the present and that challenge its assumptions—that social inequalities have always been with us and are eternal— instead of posing alternatives to assumed eternal and elective

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<sup>3</sup> Francis Fukuyama, *The End of History and the Last Man* (New York: The Free Press, 1992).

<sup>4</sup> Judt, *Ill Fares the Land*, 5.

affinities, we are always given a diet of ‘economism,’ the priority of economics in all discussions of public affairs.<sup>5</sup>

In the United States in particular, and in Britain as well, it is as if we have always been here. Freedom, we think, has always meant license, and especially license to make profits. Freedom is the market unfettered. Equality means equality before the law, legal equality, but no more; we have abandoned the notion of a public good, or the belief that social equality is worth pursuing, or even possible. In the words of E. P. Thompson, we celebrate only the equal opportunity to become unequal. More and more we have signed on to the belief that we must keep the state at a distance; it is expensive, intrusive, and inefficient. That this is partially true is obvious. But it is also mostly false. Almost unnoticed, we have neglected to put the public good ahead of private gain, and forgotten the significance of defining what the public good is, and setting that as a priority. Above all we must ask ourselves why we accept spending trillions on war—which is also managed by the state—but resent the spending of sums far less, especially when those sums are likely to benefit the vast majority of us.

The Great Recession has alerted us once again to the dangers of an unfettered and unregulated market. The government has once again had to intervene to avoid not only a banking and credit collapse, but the possibility of an economic depression, and even global recession. After denying Keynesian economic policies for decades—the notion that the state must regulate the market and massively intervene to maintain employment and social investment—public monies in the trillions have been committed in stunning policy reversals, taking failed companies under the public wing. But nobody is rethinking the state, policy reversals are temporary at best. There is no long term intention in the United States or in Britain to regulate markets or to reign in the circuits of capital. The result is that one more lesson of history has been forgotten: namely, why so many states in the interwar period, and especially after WW II, resorted to Keynesianism and the use of public spending to benefit public patrimony, and why they were largely successful in growing public affluence.

For much of the second half of the twentieth century, it was accepted that the state should be providential, a welfare state, benevolent, underwriting needs and minimizing risks. The idea was for the state to be as unobtrusive as possible, but universally available to all citizens. But for more than two decades it has been increasingly assumed that the state is inefficient and should not be intrusive at all. Combined with the fall of Communism and the discrediting of the socialist project, and the Left, much of the developed world has abandoned the notion of the state as public benefactor and accepted the freedoms of the so-called flat world in which the corporate world is supposed to satisfy all human needs by mobilizing capital, ideas and people between and across borders. It is taken as self-evident that privatization is the antidote to the intrusiveness of the state.<sup>6</sup>

But overall the state does some things rather well and we need to return to the model used in Europe. The Welfare State was actually born of consensus, and was more the product of reformist liberalism in the late

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<sup>5</sup> Tony Judt, “What is Living and What is Dead in Social Democracy” in *The New York Review of Books* LVI, no. 20 (December 17, 2009): 86.

<sup>6</sup> Judt, *Reappraisals*, 8.

nineteenth century than the product of twentieth century idealism. The New Deal developed the Welfare State in the U.S. The Welfare State was constructed “not as an advanced guard of egalitarian revolution but to provide a barrier against the return of the past: against economic depression and its polarizing, violent political outcome in the desperate politics of Fascism and Communism alike. The welfare states were thus *prophylactic* states.” These states worked well. They provided a half century of prosperity and security. But the result is that “we in the West have forgotten the political and social traumas of mass insecurity. And thus we have forgotten why we have inherited those welfare states and what brought them about.”<sup>7</sup>

The loss of our historical memory, and the absence—or forgetfulness—of the past in our public discourses, willful or not, has led to our personal and political fragmentation. Until the Great Recession, and yet still today, the very prosperity and security afforded by the welfare states in the U.K. and the U.S., have been taken for granted by the younger generations. Largely lacking the knowledge which brought those welfare states about, and which made their own prosperity possible, they have become increasingly resentful of a taxing and regulating state imposing itself on them. This is especially true when it appears the state is reducing their own standard of living by imposing taxes which seem to benefit others; and when the opportunities once opened up by the state are increasingly closed off by a shrinking state and a shrinking public sector that can no longer provide benefits once available in the past.

We did not always live this way, nor can we afford to any longer. For the better part of a century, from the last decades of the nineteenth century until the 1970's, the inequalities that have formed since the 1970's—which to younger generations appears to be part of the natural order of things—were constantly being flattened out by progressive taxation, government subsidies to the poor through welfare programs, and social services that were available as prophylactic against personal misfortunes. And what was true of the U.S. with its regulated capitalism and the New Deal of Franklin Roosevelt, with its numerous public works programs and government subsidies, was even more true of many nations in Europe. There was first of all the welfare state of Great Britain with socialized medicine, state subsidized pensions and the nationalization and subsidization of key enterprises such as the national railways; and the social democracies of Scandinavia—which Tony Judd calls nanny states—which have provided social guarantees for every member of the population from the cradle to the grave, subsidized medical systems and public transportation and housing. And finally Germany, which has had a managed capitalist society combined with a welfare state since the era of Bismarck in the nineteenth-century. All these European countries have several things in common: they all require deep taxation, but make an equivalent public provision; and second, nowhere has the public rebelled against steep taxes. Why? They know that all levels of society are the beneficiaries of the system that is in place because all have in effect prepaid for their mutual health, physical security and comfort. In effect, they believe it is better to pay up front for social guarantees, than to play roulette with health, housing and well-being in the future.

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<sup>7</sup> *Ibid*, 10.

In 1989 I came into Soviet Union and understood immediately that a political discourse which had evolved for some two hundred years was coming to an end. To cite Fukuyama again, one kind of history was ending. Yet it became self-evident that it had already ended. The Age of Ideology had ended, and Utopia was no more. But this was true in an ironic sense as well. When I was a student in the Sixties—the 1960's—many students engaged in passionate debates about what they thought the public good was. There was rarely agreement, but the point was that students were studying political philosophy and wanted desperately to understand the meaning of a public good, and then to become engaged in achieving it. For many of us, political and moral philosophy—what was just, what was fair—engaged most of our waking thoughts. Few if any—in some student circles—would have been willing to agree that the public good should be second to achieving a more economically efficient market—or would have agreed that the latter was necessarily more efficient—witness the Great Recession of 2008.

What is missing today, and what has been absent for decades, is a sense of trust, a conviction of community, and belief in a common purpose. We have gone from what President Johnson called “a nation of nations” to a nation of families and individuals, such as depicted by Margaret Thatcher. Not having a common purpose, and no longer believing in anything like social equality, we are wont to stigmatize what we now think of as the “Other.” This label has especially been attached to the poor; the Great Recession may have taught us a lesson, that we could quickly and permanently become the Other, or be counted among the poor by little more than a twist of fate or the collapse of the market.

This was not always so. Writing in the eighteenth century, building the edifice of the ‘freed’ market as the basis of the wealth of nations, opposed to the monopolists of his day, Adam Smith counseled something quite different: “To feel much for others and little for ourselves; to restrain our selfishness and exercise our benevolent affections, constitute the perfection of human nature.”<sup>8</sup> From the beginning, Smith admonished against the uncritical pursuit of wealth, a destructive force, he argued, that could well undermine what capitalism needed to flourish. Smith sounded an early warning, and an urgent appeal, not to divide ourselves into rich and poor, at the very least, not to ignore or despise the poor: “The disposition to admire, and almost to worship, the rich, and to despise, or, at least, to neglect, persons of poor and mean condition . . . [is] . . . the great and most universal cause of the corruption of our moral sentiments.”<sup>9</sup>

For Adam Smith the moral economy took precedence over the market economy. Smith was hardly alone in counseling that putting social well-being ahead of private interest was the best way to preserve the public health and human happiness. John Stuart Mill, writing in mid-nineteenth-century, feared the destructive powers of self-interest unbound by an unregulated market: “The idea is essentially repulsive, of a society held

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<sup>8</sup> Adam Smith, *The Theory of Moral Sentiments* (New York: Penguin Books, 2009), 31.

<sup>9</sup> *Ibid.*, 73.



together only by the relations and feelings arising out of pecuniary interests.”<sup>10</sup>

Alexis de Tocqueville, a keen observer of America, which he admired—in the nineteenth century—aristocratic by birth, democratic by sentiment, and a lover of liberty, thought that American democracy could only be fulfilled if liberty was abetted by equality. He warned against the emergence of a new elite, or a new aristocracy; equality and liberty were not only compatible, both were necessary for the happiness of human beings. His opening passages in *Democracy in America*, written shortly after his visit to America in 1831, made this clear:

Of all the novel things which attracted my attention during my stay in the United States, none struck me more forcibly than the equality of social conditions. I had no difficulty in discovering the extraordinary influence this fundamental fact exerts upon the progress of society; it sets up a particular direction to public attitudes, a certain style to the laws, fresh guidelines to governing authorities, and individual habits to those governed.

Soon I came to recognize that this very fact extends its influence well beyond political customs and laws; it exercises no less power over civil society than it does over the government. It forms opinion, creates feelings, proposes ways of acting, and transforms anything it does not directly instigate itself.

Consequently, as I studied American society, I increasingly viewed this equality of social conditions as the factor which generated all the others and I discovered that it represented a central focus in which all my observations constantly ended.<sup>11</sup>

Much as Tocqueville admired American democracy, he was not necessarily sanguine about its future. He noted that in America there was an absence of a governing class that governed dispassionately in the name of the public interest. Instead he observed an industrial class, possessed of talent and ingenuity to be sure, but also a class that was readily transforming its money into popularity, influence and power. Tocqueville warned against a new aristocracy of wealth, with no standards other than self-aggrandizement. There was an antidote to this, however; the maintenance of conditions of social equality.<sup>12</sup>

Tocqueville was one of the earliest to notice the strength of civic life in the United States. What was the cause of an active civic life? For

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<sup>10</sup> John Stuart Mill, *Principles of Political Economy: With Some of Their Applications to Social Philosophy*, ed. Stephen Nathanson (Indianapolis, Indiana: Hackett Publishing Co., 2004), 193.

<sup>11</sup> Alexis de Tocqueville, *Democracy in America*, trans. Gerald R. Bevan (London: Penguin Books, 2003), 11.

<sup>12</sup> Jack Luzkow, *The Revenge of History: Why the Past Endures—A Critique of Francis Fukuyama* (Lewiston, New York, 2003: The Edwin Mellen Press), 244-246.

## AFTER UTOPIA

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Tocqueville it was the discovery of a common interest, which could only occur under conditions of social equality:

When all men . . . are ranked in an irrevocable way according to their occupation, wealth, and birth . . . each caste has its opinions, its sentiments, its rights, its moral habits, its separate existence. Thus the men who compose it bear no resemblance to any of the others, they do not have the same way of thinking or of feeling, and if they believe themselves to belong to the same humanity, they do so just barely.<sup>13</sup>

Simultaneously, he added:

When ranks are almost equal among a people, with all men having more or less the same manner of thinking and feeling, each of them can judge in an instant the feelings of all the others: he casts a rapid glance at himself; that suffices for him. There is thus no misery that he cannot easily conceive of and whose dimensions are not revealed to him by a secret instinct. It does not matter whether it is a question of strangers or enemies: his imagination puts him immediately in their place. It mixes something personal into his pity and makes him suffer himself when the body of his fellow man is torn apart.<sup>14</sup>

Tocqueville completed this sentiment by declaring that “the same man who is full of humanity for his fellow men when they are at the same time his equals becomes insensitive to their sufferings the moment the equality ceases.”<sup>15</sup>

What Adam Smith, John Stuart Mill and Alexis de Tocqueville all had in common was the conviction that human happiness depended upon the building of community, the extension of mutual trust, and the defining of a common purpose. Without quite expressing themselves in the language of modernity, they had expressed the sentiments that were the foundation for modern social democracy: this implied not only feeling much for others, it meant trusting others, and it meant ultimately not only conceding initiative to a public sector, but also embracing a common purpose by conceding private wealth to the pursuit of collective goals.

The notions of collective goals, common purposes, an interventionist state that regulated the market through progressive taxation, social and economic planning, and commitment to public welfare, were all prescriptions for the building and pursuit of mutual trust, all were fundamentals that were needed if there was to be a public purpose. It was a given that this could only occur when people had much in common with each other: and this implied a commonality not only of religion or of language, it also implied a relative leveling of income and wealth. The more

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<sup>13</sup> Alexis de Tocqueville, *Democracy in America*, trans. Stephen D. Grant (Indianapolis, Indiana: Hackett Publishing Co., 2000), 249.

<sup>14</sup> *Ibid.*, 251.

<sup>15</sup> *Ibid.*

equal a society, the greater the trust. The matter, however, went beyond income. If people had similar lives and similar prospects or life chances, then they were more likely to have not only a shared moral outlook, but a shared common purpose. This in fact has been the basis of ‘radical’ departures in the solving of social problems. When people are less equal, politics becomes more contentious, and it becomes more difficult to define a common purpose.<sup>16</sup>

Public planning did not by definition imply public ownership. It is not a given that the state is more competent than the private sector, or that it has less shortcomings than the market. On the other hand, it was also widely believed in a number of countries, even before World War I and increasingly afterwards, that the free market could be compatible with social goals and welfare legislation. Banks and corporations could be required to take a long view, including even listening to their employees and becoming conscious of the social consequences of their businesses, and yet remain highly profitable.<sup>17</sup> Nor did high progressive taxation have to be an affront; even prior to the First World War income taxes were often quite steep. But the income tax, no matter how steep, was widely seen as a consensual device to take unneeded and excess resources from the privileged and put them at the disposal of those who needed them the most. The point is that among the general population a moderate redistribution was widely embraced; eliminating the extremes of wealth and poverty was seen as benefitting all. Moreover, in the context of European politics, especially before and after World War II, it became quite clear what the benefits of cooperation, progressive taxation and the interventionist state were: they included security, prosperity, social services, and greater equality, all firmly embedded in mutual trust.<sup>18</sup>

A generation after WW II, beginning in the 1980’s, the U.S. went through sea changes; taxes were dramatically reduced, private fortunes accelerated to a level previously unprecedented, income and wealth inequalities grew to new heights, and people’s overall happiness sank with the loss of their homes, their jobs, and too often their health.

What had brought about these momentous changes? Just as we have forgotten why so many men and women once fought for Utopia, or struggled to improve their lives through revolution, or simply dropped out of society to live in communes, just as we have forgotten the way our ancestors have struggled, and formed the kind of social institutions to help stave off the insecurities of poverty and depression, so have we forgotten why we built in social safeguards against the perils of the unregulated market. To put it bluntly, we are not sure why we think the market can solve all social ills; we may not even be certain why we slavishly follow the adulation of wealth, or that we are slavishly pursuing it.

Once again, we have forgotten how we got here. In the 1980’s, the ‘Chicago boys’ as they have been called, led by Milton Friedman, not only abandoned the admonitions of Smith, Tocqueville and Mill, they presumed that the only way to build the wealth of nations was to liberate the market from all constraints, a feat that has falsely been attributed to Smith, who

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<sup>16</sup> Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009).

<sup>17</sup> Judt, *Ill Fares the Land*, 59-61.

<sup>18</sup> *Ibid.*, 55-72.

actually feared the destructive powers of the so-called liberated market. Contemporaries think that the provenance for this ‘newthink’ should be attributed to Milton Friedman and the Chicago school. Indeed they have made their mark, but the origins go back to the Vienna school of economists and political thinkers of the decades following the First World War.

The Vienna school included Friedrich Hayek, Ludwig von Mises, Karl Popper, Peter Drucker, and Joseph Schumpeter; together they were the ancestors of the Chicago school. Von Mises and Hayek were the true advocates of free-market economics, while Schumpeter staunchly defended the creative—and destructive—powers of capitalism. Popper defended the open society, while Peter Drucker wrote about the theory and practice of management in the decades following World War II. All were born in Vienna, or in its environs, and all were severely impacted by the destruction of their native Austria during the interwar period.<sup>19</sup> After World War I, and a brief socialist municipal experiment in Vienna, Austria, fell to a reactionary coup in 1934, and four years later succumbed to Nazi invasion and occupation. Following these events, the young economists were forced into exile. As a result, they were to cast their writings under the pall of these events, beginning with the question: why had liberal Austria collapsed and embraced fascism?

Popper’s answer, shared by the others, was that the tragedy had ensued from the failure of the (Marxist) Left to successfully introduce into post-1918 Austria a system of state-directed planning, and collectivized economic activity that included municipal ownership. This failure had produced a counter-reaction, that of the fascists. Thus, it was the indecision of the Left, which was itself a result of its faith in historical laws and human reason, which had allowed for the more energetic fascists, having no such faith in human reason or historical laws, to conquer power.<sup>20</sup>

Hayek shared these conclusions, it was the inability of the Left to act that had led to the collapse of Austria. He also blamed Liberals for failing to resist the challenge of the Right and the Fascists. The question then became: how best to withstand the challenges from the Right in the future? Each of the members of the Viennese school arrived at the same conclusion: the best way to defend Liberalism in the future was to defend the “open society,” and to keep the state out of economic affairs. To protect the freedoms of the citizenry, it was necessary to keep the state at a safe distance, to prevent it from planning, manipulating, and otherwise directing the affairs of fellow citizens. If this could be done, then the extremists of the Right and the Left would be excluded from power. Society would indeed be free. That it might also be unequal, and that this might make it less free, was not a concern.<sup>21</sup>

After WW II, Hayek, who was by then living in England and teaching at the London School of Economics, predicted that a victory for the Labor Party, which had already proclaimed the welfare state as its objective, would mean that Britain would share the same fate as the Austrian precedent:

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<sup>19</sup> *Ibid.*, 98.

<sup>20</sup> *Ibid.*, 98-99.

<sup>21</sup> Friedrich Hayek, *The Road to Serfdom* (London: Routledge, 1944); and Karl Popper, *The Open Society and Its Enemies*, rev. ed. (Princeton, N.J.: Princeton University Press, 1950).

Britain would experience a revival of fascism. The Labor Party did indeed win, but its victory heralded postwar stability and put Britain on the road toward postwar prosperity as well, not fascism.

This was precisely what John Maynard Keynes had foreseen. Keynes thought, with the examples of Depression and World War I behind him, that economic collapse and a return to political extremism could only be forestalled by *increasing* the role of the state. Unlike the Austrian political and intellectual refugees, all of whom despised any collective categories of thought, such as social goods and economic planning, the Keynesian notion of the need for state planning of the economy was widely embraced in Hayek's new home. The British—especially after the experiences behind them—were hardly about to give up what became the British version of the nanny state, which included among other things free medical care and subsidized higher education.<sup>22</sup>

Keynes had simply taken another page from history than had the Austrian economists; he became the intellectual inspiration of the New Deal in the United States and the modern welfare state—or something that approached that—in Britain. The crash of 1929 created a consensus among most economists that the unregulated market had failed, and that governments had to intervene to redistribute wealth and regulate corporations. Faced with the challenge of Communism in the East, and the known failures of *laissez-faire* economics, the welfare state was embraced widely after World War II, and became the dominant policy creed of Western Europe.<sup>23</sup>

The idea of the welfare state was nothing new. Its provenance can be traced to the 1880's in Germany, and to turn-of-the-century England. Socialists like Beatrice Webb took for granted early on that there should be public provision for education, health services and medical insurance, public parks and playgrounds, public provision for the aged and the infirm. For Webb, this was a simple moral economy, as it would be for E. P. Thompson and others decades later. The lesson drawn by Beatrice Webb was simple: people should cooperate, they should work together for the common good, and nobody should be left out.<sup>24</sup> This was the creed articulated and embraced by Keynes and his followers in postwar Europe; nor did it apply only to economics and economic stabilization. Keynes labored also to elevate the cultural level of the British: an educated and knowledgeable people would make better citizens, and the country as a whole would embrace better and more enlightened policies.

What was novel in all this was not the idea of a moral economy, “but the thought that such things were best done by the government, and therefore they *should* be done by the government.”<sup>25</sup> How this was done was contentious in Britain, universalists wanted a comprehensive system in which there would be high across-the-board taxation to pay for services that would be available for all. The Scandinavian welfare states didn't tamper with the private sector in the economy, but they taxed at a high rate

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<sup>22</sup> Judt, *Ill Fares the Land*, 104.

<sup>23</sup> Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Henry Holt & Company, 2007), 21

<sup>24</sup> Beatrice Webb, *My Apprenticeship* (Cambridge: Cambridge University Press, 1979).

<sup>25</sup> Judt, *Ill Fares the Land*, 74.

which enabled them to pay for social and cultural services which were then made freely available for all. The objective of Scandinavia was not collective ownership, it was collective *protection*.<sup>26</sup>

Continental European welfare states, or providential states, followed yet another model: they emphasized—as Germany in particular still does—the *employed* citizen against the debilitating effects of the market economy. In France, West Germany, and Italy the emphasis was on maintaining good jobs and incomes even in times of economic misfortune. This was typical Keynesianism: people who worked could buy, making it possible for people who produced, to sell. Unlike the contemporary policies embraced in the U.S. and Great Britain, which have done nothing to relieve the stress of growing unemployment, and which have failed to protect jobs, the European perspective questioned the wisdom of throwing a growing army of the unemployed onto the street in a time of economic recession; this, they argued, was more disastrous than the so-called efficiency gained by eliminating hypothetically unnecessary jobs.<sup>27</sup>

Given that welfare states, social democracies, social protection, and the social security state worked for decades, how then did we arrive at the Great Recession of 2008? What was the road that took us from the Great Society of Lyndon Johnson to the “no society” of Lady Margaret Thatcher and *laissez-faire* advocate Ronald Reagan? What caused the shift, certainly in Britain and the U.S., away from public proclamation of the collective good, toward the worship of the private sector and its accompanying cult of privatization? One answer was that in an age of budgetary restraints, the privatization of public goods saved the public monies, sometimes dramatically so. The state either owned inefficient operations, which should be closed or sold off, or the state was itself inefficient, in which case the goods it owned should be privatized; that this was so owed to the economic theories of the Chicago ‘boys’, who were convinced that privatization meant duly restoring an inefficient factory to private ownership; it would by definition become more efficient by returning it to competition because of the profit motive. This then was the underpinning of the Chicago school, which saw its opportunity beginning in the 1980’s.

It was in this period that, once again, the theories of the Austrians came into vogue: their successors were led by Milton Friedman, economics professor at the University of Chicago, and a longtime devotee of the unfettered market, by which he meant getting rid of government regulation, trade barriers, and entrenched interests, including the labor movement and labor unions. Cleansed of all these so-called barriers and tamperings, the economy could be returned to a state of pure capitalism. Supported by this theory, the dismantling of the welfare state began, at least in the United States and, to a lesser extent, in Britain, where even political conservatives were unwilling to challenge or to withdraw free medical services, a sure recipe for political suicide.

Since the 1980’s Milton Friedman’s theories have reigned as the orthodox ideas governing not only the policies of the U.S., and in Britain, but they have become embedded as the official philosophy of the

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<sup>26</sup> Sheri Berman, *The Primacy of Politics: Social Democracy and the Making of Europe’s Twentieth Century* (Cambridge: Cambridge University Press, 2006). See especially 152-176.

<sup>27</sup> Judt, *Ill Fares the Land*, 76-77.

International Monetary Fund, which has attempted to impose them on less developed countries, or countries in crisis, when they have come to the West with outstretched hands. Back in the twentieth century Friedman had dreamed—though he had long been ignored—of returning to a pristine state of pure market capitalism, with no entrenched interests or government policies to ‘distort’ the market. The core of the Chicago school philosophy was that, in the truly free market, the economic forces of supply, demand, inflation, and unemployment were in perfect equilibrium; in fact, Friedman and his colleagues saw these as forces of nature, operating in the same manner as physical laws. If an economy suffered from inflation, it was because of the misguided policy of putting too much money into the economy, rather than allowing the market to find its own equilibrium. Left to its own devices the market would create the right number of products, at the right prices, produced by workers at precisely the correct wages, enabling them to buy the products they had produced. Given this balancing of forces, there should be no inflation, nor should there be any shortage of employment.<sup>28</sup>

Friedman, however, preached his doctrine in the wilderness for decades, after all how could he test his assumptions? Since all economies seemed out of balance, it had to be assumed that they were all somehow distorted. Scientists could test their theories under controlled conditions in laboratories. Friedman could not identify any living economy which, stripped of all distortions, would be in perfect and rapturous health.

Like all fundamentalist faiths, no matter how much Friedman tried to base his theories on the principles of ‘science’, his system was a perfect circle. If one assumed that the free market operated like a scientific system, a system in which individuals, acting for their own self-interested desires, created benefits for all, then the presence of any problems, whether high inflation or high levels of unemployment, could only mean that the market was not truly free.<sup>29</sup>

Was Friedman wrong in arguing that the unprecedented global prosperity in the last decades of the twentieth century was because of free markets, free prices, consumer choice, and economic liberty? On the contrary, there was much truth in this argument, but not in the way that Friedman had intended. This was because the nature of global prosperity, who shared in it, who didn’t, and where the new wealth came from, were still hotly debated. “What is irrefutable,” says Naomi Klein, “is the fact that Friedman’s free market rulebook, and his savvy strategies for imposing it . . . made some people extremely prosperous, winning for them something approximating complete freedom—to ignore national borders, to avoid regulation and taxation and to amass new wealth.”<sup>30</sup>

Friedman’s personal experience as a child seemed ill-fitted to his claims to wear the liberty cap. In his early childhood, he moved with his parents, both Hungarian immigrants, to Rahway, New Jersey, where his parents bought a garment factory. The business, located in the same building as the

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<sup>28</sup> Klein, *Shock Doctrine*, 60-61. Friedman’s ideas were popularized especially in *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962); and *Free to Choose: A Personal Statement* (Orlando: Harcourt, Inc., 1980), which he co-wrote with his wife, Rose Friedman.

<sup>29</sup> *Ibid*, 61-62.

<sup>30</sup> *Ibid.*, 62.

family's apartment, would later be recalled by Friedman, in lectures and television appearances, in highly rapturous terms. Yet in Friedman's memoirs, *Two Lucky People*, he admitted that, in contemporary understanding, the business would be called a sweatshop.<sup>31</sup>

Friedman's ideas thus did not appear out of a vacuum. From the perspective of a sweatshop owner, the world was a dangerous and unfair place. The interwar era was indeed volatile, with Marxists, radicals, anarchists all organizing workers into unions and demanding better working conditions and higher wages, and even debating the theory of worker ownership, all threats, no doubt, to Friedman's parents, and later to Friedman himself. Friedman knew quite well that a sweat shop is a sweat shop by any name, yet in those same television appearances he offered his parents' factory as an example of the benefits of deregulated capitalism, proof that even the worst and least regulated shop floors still offered opportunities—especially for immigrants—to reach freedom and prosperity.<sup>32</sup>

It was the ideological divide of the Cold War that made it possible for Friedman's ideas to gain traction. As the politics of the Left, including more power to the workers, gained popularity globally, an opportunity presented itself to the Chicago school to defend the interests of owners; more than that, to defend those interests in a way that was also radical, and at the same time idealistic. Friedman himself had a magic wand; he was not, he insisted, defending the interests of factory owners to pay low wages, he was rather in pursuit of the purest form of "participatory democracy." This was because in the free market each man could vote with the freedom to choose whatever he wanted to consume. Freedom of choice in the market implied democratic choice.<sup>33</sup> Leftists could offer freedom of "workers from bosses, citizens from dictatorship [and] countries from colonialism."<sup>34</sup> Friedman, on the contrary, promised "individual freedom," thereby liberating the individual from any collective enterprise and allowing him to express his absolute free will through consumer choice. Just as Marxism offered "idealism combined with radicalism," so now, recalled economist Don Patinkin, Friedman offered the same recipe for entrepreneurs.<sup>35</sup> In this way, Friedman defined the entrepreneurial utopia of the future. The enemy, however, was not Marxist idealism, or ideology, it was Keynes and the challenge to the unregulated market. The problem was therefore not how to create capitalism, but how to restore it to its pristine, and unregulated, state. Thirty years on, Friedman had succeeded even in ways he—decorated with a Nobel prize—could never have foreseen. In pressing toward the kind of liberty he sought, Friedman had forgotten history, and the reasons why Keynes had sought to use the state to elevate the citizen, as well as to lubricate the economy: the reason was simple, Keynes wanted to avert the kind of ideological ugliness that followed World War I, and relying on the state to define and pursue a common purpose was the only way forward.

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<sup>31</sup> Milton and Rose D. Friedman, *Two Lucky People: Memoirs* (Chicago: University of Chicago Press, 1998), 21.

<sup>32</sup> Klein, *Shock Doctrine*, 63.

<sup>33</sup> Friedman, *Capitalism and Freedom*, 15.

<sup>34</sup> Klein, *Shock Doctrine*, 63.

<sup>35</sup> Don Patinkin, *Essays on and in the Chicago Tradition* (Durham, N.C.: Duke University Press, 1981), 4.



Where are we today, three decades after the ideas of Friedman were institutionalized, especially in the United States? Robert Reich, former Secretary of Labor, has shared his perspective: “Most American families are worse off today than they were three decades ago. The Great Recession of 2008-2009 destroyed the value of their homes, undermined their savings, and too often left them without jobs. But even before the Great Recession began, most Americans had gained little from the economic expansion that began almost three decades before. Today, the Great Recession notwithstanding, the U.S. economy is far larger than it was in 1980. But where has all the wealth gone? Mostly to the top. The data shows that by 2007, America’s top 1 percent of earners received 23 percent of the nation’s total income—almost triple their 8 percent share in 1980.”<sup>36</sup>

These figures become even more extreme when we examine the distribution of wealth in the U.S. Consider net worth first—in 1983 the top 1 percent of the U.S. population owned 33.8 percent of U.S. total net worth. In 2007 the top 1 percent owned about the same, 34.6 percent of total net worth. The same year, the bottom 80 percent of the U.S. population owned 15 percent of net worth, a decline of 3.7 percent since 1983. The picture worsens when we consider financial wealth in the US. In 2007 the top 1 percent of American households owned 42.7 percent of the financial wealth, and the bottom 80 percent controlled 7 percent. According to G. William Domhoff, the effect of the Great Recession has increased social inequalities even more. Based on the price of housing and stock in July 2009, he concluded that there had been a 36.1 percent drop in the wealth (marketable assets) of the median household since the peak of the housing bubble in 2007. By contrast the wealth of the top 1 percent of households had dropped far less, by 11.1 percent.<sup>37</sup> Going by the latest figures we have, the United States is one of the most socially unequal nations in the world.

The unequal distribution of income is a dramatic story, but the inequalities of wealth, not income, tell the most dramatic story in America. In addition to the 34.6 percent of wealth owned by the wealthiest 1 percent of the population in 2007, the next 19 percent of the population, the managerial, professional, and small business stratum, owned 50.5 percent of the wealth. That meant that just 20 percent of the population in the United States in 2007 owned 85 percent of the total wealth of all Americans. Put another way, 80 percent of the US population owned only 15 percent of American wealth. In sum, wealth in America has become ever more concentrated.<sup>38</sup>

Consider executive pay, as Robert Reich does in his Preface to *The Spirit Level* by Richard Wilkinson and Kate Pickett, two British researchers. In the decades of the 1950’s and 1960’s, CEO’s of major American corporations took home about 25 to 30 times the wages of the typical worker in the same decades. Then a dramatic divergence began in the

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<sup>36</sup> Robert Reich, “Foreword,” in Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009), v.

<sup>37</sup> G. William Domhoff, “Who Rules America: Wealth, Income, and Power,” September 2005 (Updated August 2010), <http://www.sociology.ucsc.edu/whorulesamerica/wealth.html>.

<sup>38</sup> *Ibid.*

1970s; by 2007, just prior to the financial meltdown in the U.S., average CEO pay ballooned to about 350 times what the average worker earned. In what was probably the most extreme example, the CEO of Wal-Mart took home 900 times the pay and benefits of the typical Wal-Mart worker. Moreover, the wealth of the Wal-Mart family in 2005 was estimated at \$90 billion, the same as the bottom 40 percent of the US population for that year, some 120 million people.<sup>39</sup>

In an age of deregulation, America has generated unequalled wealth, but the vast majority of that wealth has gone straight to the top, as Reich indicated, and at precisely the same time that Americans have lost their homes, jobs, and possessions at rates unprecedented since the Great Depression.

Today, as in the U.S., the Great Britain is more unequal in incomes, wealth, health, education, and life chances than at any period since the 1920's. Today the poor stay poor. The symptoms of their poverty, the direct result of inequality according to British researchers Wilkinson and Kate Pickett, translate into ill health, low educational achievement, and social symptoms like alcoholism, obesity, mental illness and gambling. Inequality is not just unattractive, it is the leading cause of a number of social pathologies that include high infant mortality, low life expectancy, high rates of criminality, including homicide, imprisonment, mental illness, unemployment, obesity, malnutrition, teenage pregnancy, illegal drug use, economic insecurity, poor children's educational performance, personal indebtedness and anxiety. Inequality, so much more marked in the U.S. and Britain than in continental Europe, has a high social cost. It is the direct link to misery and unhappiness.<sup>40</sup>

Today, it is generally agreed that the wider the gap between the wealthy few and the struggling many, the worse the social problems: and this appears to be true for rich and poor countries alike. What matters is not how affluent a country is but how unequal it is. Both Sweden and Finland are wealthy by per capita income and GDP, have a narrow gap separating the richest from the poorest citizens and consistently lead the world in "indices of measurable well-being."<sup>41</sup> At the other end of the spectrum is the U.S., which has a huge aggregate wealth, but is always low on such measures. The U.S. spends vast sums on health, but life expectancy in the U.S. remains below that of Bosnia and just above Albania. Japan, which spends far less on health care, tops the scale of life expectancy at almost 82 while the U.S. lingers between 76 and 78.<sup>42</sup>

Wilkinson and Pickett have discovered that intergenerational mobility has virtually collapsed in both the U.S. and Britain, and for much the same reason: children in these countries cannot expect to have the same life styles and affluence as their parents, reflecting the large income inequalities in these two countries. The American Dream is fast disappearing; the U.S. has the lowest social mobility and the highest income disparities of the eight countries that Wilkinson and Pickett compare. On a chart comparing income inequality and social mobility, the Scandinavian social democracies, Sweden, Norway and Finland, and Denmark, and Germany and Canada,

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<sup>39</sup> Reich, "Foreword," vi.

<sup>40</sup> Wilkinson and Pickett, *Spirit Level*, 13-19.

<sup>41</sup> *Ibid.*, 80.

<sup>42</sup> *Ibid.*, 20.

with many of the characteristics of a social democracy, are considerably ahead of both Britain and U.S. in income equality, social mobility and measurable well-being.<sup>43</sup>

What has produced these kinds of income and wealth disparities that have become not only widespread in the US, but which are increasingly becoming globalized? Some commentators blame, not corporate greed, or the intractability of Wall Street, or even the docility of investors, but the globalization of the economy; it has in fact changed the way we do business, and has increased the ever growing need to become competitive. Until the last two decades, corporate executives had to maintain the goodwill of organized labor; they had to preserve good relations with public officials who had the power to set wages and prices, and they needed regulatory permissions on fares, rates and licenses. They needed good relations because they wanted government contracts.

So what has changed? Competition, for one, has become more intense than ever:

1. Corporations now can gain access to low-cost suppliers from all parts of the globe.
2. They can streamline operations with information technology.
3. They can cut the labor force and substitute similar software.
4. They can outsource hourly jobs abroad.<sup>44</sup>

But of course inequality is not the result of globalization, the pay scales of CEO's are the result of corporate decisions that have little or nothing to do with globalization. The divergence between CEO pay and worker pay in Europe has remained much steadier for decades, and more resembles the U.S. some three decades ago than the U.S. today, though Europe must compete in the same global environment. And of course tax structures also have nothing to do with the market as such, they are the result of national domestic decisions as to how generated wealth should be used; and how it should be taxed. In Europe, in the social democracies, higher taxes equate with much greater equality, and greater equality has led to much happier nations.

Despite patent inequality, and the social pathologies we know that it creates, few philosophers (ethicists) or even economists have studied the social costs of inequality. Some of those who have, concluded that redistribution is warranted on purely utilitarian grounds because it would increase the greatest good of the greatest number.

Even fewer politicians have sought a redistribution of wealth in any form. When Barack Obama proposed an increase in income taxes—an extremely modest increase, before and since his presidency, he was opposed on both sides of the congressional aisle.

What are the results of inequality in the U.S.? A recent poll reported on NBC's evening news noted the attitudes of Americans to their country: more than 60 percent reported that they thought the U.S. was in decline; about the same percentage didn't expect to ever get back to the standard of living they had known before the Great Recession; and just as many thought their children would not be able to enjoy the standard of living they

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<sup>43</sup> *Ibid.*, 159-160.

<sup>44</sup> Reich, vii.

had once known. In sum, the vast majority of Americans regretted the loss of what we might call the social contract. They believed themselves to be acting in a vacuum, with no confidence in their government or their future. Richard Wilkinson has given us a vivid description of the social ennui and social pathologies experienced by these same Americans (and by the British):

It is a remarkable paradox that, at the pinnacle of human material and technical development, we find ourselves anxiety-ridden, prone to depression, worried about how others see us, unsure of our friendships, driven to consume and with little or no community life. Lacking the relaxed social contract and emotional satisfaction we all need, we seek comfort in over-eating, obsessive shopping and spending, or become prey to excessive alcohol, psychoactive medicines and illegal drugs.<sup>45</sup>

A study commissioned by the Harwood Institute for Public Innovation in the U.S. found that a large majority of Americans thought that materialism and greed had somehow become all pervasive; Americans wanted to move toward a society and a life more centered on values, family and community. Yet they also thought that these values were not held by a majority of Americans, whom they thought had become atomized, selfish and irresponsible. As a result they felt isolated and lonely. And also, no doubt, they were hardly aware of political and social alternatives, and how to achieve them. America, the land of unparalleled material success, was also the land of unparalleled social pathologies, a nation increasingly unhappy and unequal. Society apparently was broken, and this long before the Great Recession. Yet this was not the inevitable result of modernity, globalization and the technological revolution. Social democracies in Europe have made different social choices, with different social results; and they are happier for having done so.<sup>46</sup>

The United States is an affluent nation by any standards. The average income per person in the U.S. is about \$38,000. That is higher than any other nation in the world. Only Norway comes close at about \$37,500. Japan, Sweden, Australia, Canada, the Netherlands, Germany, the G.B., Finland and Israel, all have an income per capita below \$30,000. Yet of the 23 wealthiest countries in the world—as measured by individual income—the United States ranks higher than only three nations, Portugal, Ireland and Denmark, in life expectancy.<sup>47</sup>

Tony Judt, writing in the *New York Review of Books*, observed the following: “Something is profoundly wrong with the way we live today. For thirty years we have made a virtue of the pursuit of material self-interest: indeed this very pursuit now constitutes whatever remains of our sense of collective purpose. We know what things cost, but have no idea what they are worth.”<sup>48</sup>

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<sup>45</sup> Wilkinson and Pickett, *Spirit Level*, 3.

<sup>46</sup> *Ibid.*, 3-4.

<sup>47</sup> *Ibid.*, 7.

<sup>48</sup> Judt, “Ill Fares the Land,” *New York Review of Books* LVII, no. 7 (April 29, 2010): 17.

## AFTER UTOPIA

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As Judt went on to suggest, and as many of us know, the materialistic and selfish quality of contemporary life is not an inherent part of the human condition. Much of what we take for granted today has its origins in the 1980's; "the obsession with wealth creation, the cult of privatization and the private sector, the growing disparities of rich and poor. And above all, the rhetoric that accompanies these: uncritical admiration for unfettered markets, disdain for the public sector, the delusion of endless growth."<sup>49</sup> The Great Crash of 2008 was a reminder that we cannot continue like this; unregulated capitalism has a nasty habit of excess that leads to collapse. And with the usual outcome; those who caused the collapse standing in line for handouts from the same state they had weakened and whose regulation they had successfully avoided.

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<sup>49</sup> *Ibid.*